

Tackling Rural Poverty in Viet Nam



2000-11-24

Lois Sweet

[Photo: Eighty per cent of Vietnamese live in rural areas.]

The house has a straw roof and the floor is dirt. There are openings for windows, but they have neither panes nor shutters. In the rainy season, the people sleeping beneath them have no protection from the elements. They also have no electricity, no safe drinking water, and a steady diet of rice. This is the face of poverty in Viet Nam.

"Eighty per cent of Vietnamese live in rural areas," says [Vu Tuan Anh](#), Executive Vice-Director of Viet Nam's Socio-Economic Development Centre. "The average yearly income for all Vietnamese is US\$350, but a small part of the population — about five per cent — still go hungry."

MIMAP objectives

Dr Tuan Anh works on a MIMAP project that focuses on monitoring rural poverty in Viet Nam. Launched in 1990 by the International Development Research Centre (IDRC), the [Micro Impacts of Macroeconomic Adjustment Policies \(MIMAP\)](#) program initiative aims to enhance the capacity of developing countries to analyse the impact of macroeconomic policies on their citizens.

Particularly since the Asian crisis, both government authorities and non-governmental organizations urgently need pertinent poverty data to design better economic policy and targeted interventions. Although surveys are conducted by international organizations and the Vietnamese government, they do not meet all the needs of planners and policy makers within the country. That is why, in 1996, Dr Tuan Anh approached IDRC to propose a participatory poverty monitoring research project that would involve local people in collecting, processing, and analysing poverty data. He also saw it as a way for them to design and implement poverty alleviation measures.

Startling results

The MIMAP survey conducted in the Daloan Commune in the Ductrong District of Viet Nam's Lamdong Province produced startling results. "We knew there were poor people, but until we started working with the basic needs indicator survey, no one knew exactly what to assess," says Nguyen Tuan Tai, a Linguistics Professor at the University of Dalat and Director of the Center for Poverty Reduction (which is supported by the Canadian International Development Agency and works cooperatively with MIMAP). "Through the survey, we learned not only who was poor, but why the Bank for the Poor — which was set up to help move people out of poverty — wasn't working."

In one village, for example, only half of the 33 poor households were receiving the credit to which they were entitled. "And when we asked those who were getting a loan, how the money was used, 50 % had bought food, 10 % had bought clothes, and 5 % had put it towards housing," says Dr Tuan Tai. "This meant that, for the majority of the poor, the money was not going towards the investment and sustained poverty alleviation purposes for which it was intended."

Key recommendations

When community discussions were held, a variety of recommendations emerged including providing cooperative credit and investing in micro projects. As the MIMAP survey is based on a sensitivity to gender differences, community members could also examine the gender-implications of the findings. For example, one commune learned that several hundred of its children were no longer attending school because their families could not afford to send them. Although gender was not a factor in the number of dropouts, there were gender differences with implications for policy interventions. The boys quit school because of travel costs; the girls left to work in the fields. And the boys stayed in school until between the ages of 15 and 17, while the girls were pulled out between the ages of 10 and 13.

"Unfortunately, we do not yet have the ability to conduct poverty monitoring across the whole country," says Dr Tuan Anh. "This is a long process, but I stay in contact with government agencies and am invited from time to time to tell them what we are doing. The research results are sometimes applied and sometimes not. But progress is being made. I am optimistic."

Collaboration

The MIMAP economic modelling project in Viet Nam, which began in 1995, works closely with teams in Bangladesh, India, and the Philippines and receives technical support from economists at the University of Western Ontario. [Nguyen Van Chan](#), of MIMAP-Viet Nam's modelling project, says that tax reform, tariff reform, and trade liberalization have presented the Vietnamese government with difficult issues. Modelling exercises mean officials can analyse in detail the potential outcomes of particular courses of action, before decisions are taken. For example, Dr Chan points out that while trade needs to be liberalized, "it would affect the price of goods greatly. And that would affect both production and living standards. These things need to be considered before implementing policies."

Although there is a great need for the kind of information and insights that modelling exercises generate, the process is extremely difficult. Success depends on accurate data. But getting the necessary data is a formidable task, so modelling specialists continuously work under adverse conditions.

Team support

"That is one reason why we appreciate the support we get from other MIMAP teams and from the MIMAP staff in Canada," says Dr Chan. "It improves our knowledge and experience, and helps us when we discuss our work with government officials."

For officials at the district level, the work that MIMAP is doing on community-based poverty monitoring and modelling exercises has underlined the link between macro policies and their micro effects. "By studying poverty at the household level, we are in a better position to understand macro policies and consider recommendations," says Nguyen Duc Vang, Vice-Chairman of the Thanh Mien District People's Committee. "We just hope that the government will listen to us."

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[Photo: courtesy of MIMAP initiative]*

If you have any comments about this article, please contact info@idrc.ca.

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